



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0300	Title:	Increase fertilizer fee check off to fund research and education
Primary Sponsor:	Steinbeisser, Donald J	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$200,152	\$200,152	\$200,152	\$200,152
Revenue:				
State Special Revenue	\$200,152	\$200,152	\$200,152	\$200,152
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

This bill increases the assessment 40 cents per ton on all commercial fertilizers distributed in Montana. These assessments are a source of revenue for both the Montana Department of Agriculture (AGR) and the Montana State University (MSU). The Montana Department of Agriculture will continue to receive 1% of the assessment per statute to cover the cost of collection. Montana State University's Cooperative Extension Service and Agricultural Experiment Station will split the balance under a new statutory formula. The Cooperative Extension Service will receive 25% and the Agricultural Experiment Station will receive 75% of the balance.

FISCAL ANALYSIS

Assumptions:

Department of Agriculture

1. There are 500,379 tons of fertilizers distributed in Montana annually, based on a 3 year average.
2. It is assumed that similar tonnages will be distributed annually in the future.
3. Each ton of fertilizer distributed in FY 2008 was assessed 35 cents per ton. The average revenue per year based on a 35 cent assessment is \$175,132 per year.
4. The estimated average revenue under the increased assessment would equal \$375,284 per year.
5. The average increased revenue collected with the passage of this bill is \$200,152.

6. The Department of Agriculture receives 1% of revenue for collection costs. Revenue estimated to be received by the department would increase by \$2,002 each year over the next four years.
7. The cost to collect increased revenues will equal any increased revenues within the department or \$2,002 per year.

Montana State University

8. MSU receives the balance after the 1% deduction or an estimated \$198,150 in additional revenue each year over the next four years.
9. MSU will transfer fertilizer assessments received between the Cooperative Extension Service and the Agriculture Experiment Station using the new statutory formula.

	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>	<u>FY 2012</u> <u>Difference</u>	<u>FY 2013</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses - AGR	\$2,002	\$2,002	\$2,002	\$2,002
Transfers - Coop Ext Service	\$49,538	\$49,538	\$49,538	\$49,538
Transfers - Ag Exp Station	\$148,612	\$148,612	\$148,612	\$148,612
TOTAL Expenditures	\$200,152	\$200,152	\$200,152	\$200,152
<u>Funding of Expenditures:</u>				
State Special Revenue-AGR	\$2,002	\$2,002	\$2,002	\$2,002
State Special Revenue-MSU	\$198,150	\$198,150	\$198,150	\$198,150
TOTAL Funding of Exp.	\$200,152	\$200,152	\$200,152	\$200,152
<u>Revenues:</u>				
State Special Revenue-AGR	\$2,002	\$2,002	\$2,002	\$2,002
State Special Revenue-MSU	\$198,150	\$198,150	\$198,150	\$198,150
TOTAL Revenues	\$200,152	\$200,152	\$200,152	\$200,152
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue-AGR	\$0	\$0	\$0	\$0
State Special Revenue-MSU	\$0	\$0	\$0	\$0

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date